

MONOPOLY GAGS FM

**The broadcasting tycoons team up with the FCC in
an effort to strangle a superior radio technique.
How labor and progressives can tune in democracy.**

By EUGENE KONECKY

Mr. Konecky, managing editor of "Fraternal Outlook," is the author of "Monopoly Steals FM From the People."

IN THE two decades between 1922 and 1942 the values of frequency modulation as a broadcasting system were debated by radio engineers and experts in electronics and radio wave propagation. Even radio listeners who know little or nothing about broadcasting methods or receiver circuits, but who had heard FM programs, took a hand. Today there is almost unanimity in the broadcasting world that frequency modulation as a method of sending and receiving radio programs is superior to the standard system known as amplitude modulation, or AM. It is not only such FM champions as C. M. Jansky, Jr., radio engineer and broadcasting executive, who believe that FM is a "revolution which is going to . . . change the art" of broadcasting. Even the high officials of AM broadcasting have been compelled by the superior qualities of FM to put themselves on public record to the effect that it will eventually supplant AM. Paul A. Walker, vice-chairman of the Federal Communications Commission, summed up these views one year ago when he said: "FM is on the verge of an expansion so great that it may soon rival or even surpass our present system of broadcasting."

FM involves some of the strangest paradoxes known to modern industry. Consider these facts:

Broadcasting monopolists who have grabbed control of FM are trying to strangle it to death even while they are pouring millions of dollars into

FM transmission sites, buildings, equipment and promotion.

The Federal Communications Commission is today *expanding* the AM system which it declared was overcrowded two years ago.

The FCC, which has declared that FM will inevitably replace AM broadcasting, is now diverting applicants into AM and away from FM.

In many sections of the country promotion campaigns are being conducted to make the listening public FM-minded, and yet radio manufacturers are sabotaging the production of FM-tuned sets.

A clear understanding of FM is needed because democracy in radio is at stake; because the existing and growing confusion is responsible for keeping labor, veterans, schools and

small businessmen from breaking through the monopoly-created barriers to FM.

There are some people who believe with Major Edwin H. Armstrong, inventor of FM broadcasting and one of the foremost radio scientists of this era, that FM is inevitable merely because it is a superior broadcasting method. This idea is naive. It is just as naive as the idea that labor's entry into FM is inevitable. Labor can lose its second chance and FM itself can still be wiped out. Both dangers exist. The monopoly capitalists understand this well enough. They have been able to create conditions which have brought FM to a temporary dead-end. They also know if they succeed in postponing it long enough, the dead-end will mean a dead FM for years to come. Major Armstrong himself more than ten years ago foresaw and publicly warned that "vested interests" might retard the development of FM.

THERE are several major aspects in the struggle for FM which should be kept in the foreground of our thinking:

1. The monopoly interests already control the FM system.
2. Despite their attainment of control over FM, the monopolists, due to profound differences between AM and FM broadcasting, are out to destroy FM entirely.
3. If the monopolists cannot destroy FM outright, they intend to restrict it—and in this respect they have al-

THIS IS FM

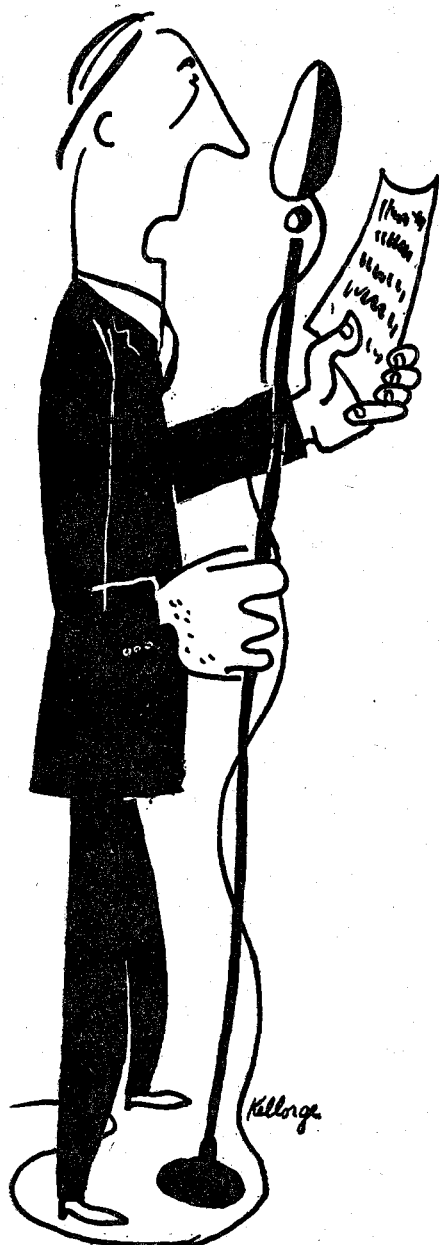
1. FM is staticless radio and represents the greatest qualitative improvement in broadcasting in the last half-century.
 2. FM broadcasting eliminates station-to-station interferences; it eliminates distortions frequently heard in AM broadcasting; it reproduces the entire range of voice and musical sound which AM does not do; and it possesses dynamic range or sound contrasts far richer than AM.
 3. In transmission or broadcasting FM is more economical than AM, thus favoring the ownership of stations by small business, labor unions and community groups.
 4. FM broadcasting technically and economically is capable of sustaining a broadcasting system containing double or triple the number of stations as compared with the AM system.
 5. The development of FM broadcasting would make possible great improvement of radio programs because of the larger number of stations and the entry of new talent in all phases of programming.
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ready accomplished much. At the same time, they play up other new methods of broadcasting to strengthen the case for scrapping FM.

4. On the basis of a twenty percent reservation of existing FM channels for the next year, and considering some related factors, labor, veterans and small business must obtain their FM licenses in the next twelve months to avoid being frozen out of the FM system.

5. Special consideration must be given by those fighting for democracy in radio to the inclusion of the rural areas in FM broadcasting.

Corporation engineers and radio manufacturers, in striving to limit FM,



"You have just heard the President. The opinions expressed are those of the speaker, and do not necessarily reflect the views of this country."

have succeeded in excluding farm listeners from the benefits of FM broadcasting services in all but a few areas. Also, for a period of two to three years, no FM-tuned sets in the price range between \$8.80 and \$35 will be placed on the market, although the overwhelming number of consumers in the radio receiver market are in the \$8.80 to \$35 groups. This means no FM for low-income farmers and workers. Since farmers and workers comprise the bulk of the radio audiences, it means that FM stations cannot depend upon the sale of time to advertisers. Under such a set-up, FM stations owned by small businessmen, veterans or labor unions cannot provide the services required of them unless they have funds sufficient to tide over a three-year period—at least \$200,000.

It would be wrong to jump from these negative facts to the conclusion that the situation is hopeless. First and foremost, it is essential that the widest educational campaign be initiated among trade unionists, veterans, professionals, farmers, and small businessmen on the nature of FM. In this connection, the words of FCC Commissioner Durr are pertinent. He said: "The problems of broadcasting are the problems of democracy itself . . . and its greatest dangers are apathy and lack of understanding." Three text books for such a campaign have recently been made available. They are: *PAC Radio Handbook*, Jerome H.

Spingarn's *Radio Is Yours*, and *Monopoly Steals FM From the People*.

Consider the problem of getting FM-tuned sets into millions of homes. On October 8, it was reported that a survey by *The American Magazine* revealed that two out of every five prospective purchasers "want frequency modulation (FM) in sets they plan to buy in the coming year." But radio manufacturers don't want to turn out FM sets for the buying public and are not producing for a ready market. The Census Bureau reported that in May 1946, a record-breaking month for the production of radio sets, *no FM-tuned sets*, or converters, were made. The reports of the Radio Manufacturers' Association and the Civilian Production Administration showed some improvement in FM production in July 1946. But they also registered the fact that in August 1946, when a 30 percent increase over the previous month took place in radio set production, *production of FM-tuned sets decreased 30 percent!*

In numerical terms, out of 3,000,000 radio sets produced in July and August 1946, only 65,000 were FM-tuned. The October 1946 issue of *Electronic Industries* reports that the total production of FM combination receivers this year will be only 300,000 sets. This means that by the end of 1946 there will be less than 1,000,000 FM-tuned sets as compared to 60,000,000 AM sets without FM-

PUTTING THE SQUEEZE ON FM

THE program pursued by the Federal Communications Commission works toward handing FM to the monopolists. The FCC deliberately expanded the AM system, causing important blocks in the path of FM development. Here are the figures:

	1945 June 30	1946 Sept. 25
AM stations operating	931	1005
AM stations under construction	24	330
TOTAL	955	1335
AM increase		39.75%

The preponderant status and ultimate growth of AM over FM on the basis of the latest FCC data is shown in these figures:

	1946 AM	1946 FM
Stations either operating or approved	1335	579
Applications for new stations pending	827	328
TOTALS	2162	907
Ratio of total in percentages	70.45%	29.55%

tuning. Even 1947 production plans schedule only 30 percent FM-tuned sets, which further demonstrates manufacturers' reluctance to go into full FM production. The delays in the development of FM broadcasting and the manufacturers' failure to produce FM sets are meant to curb public interest and to promote apathy. For this reason it is also possible that manufacturers of FM transmitters may curtail production.

LABOR unions are in a strategic position to help solve the problem of obtaining FM-tuned sets. The International Ladies' Garment Workers' Union has announced it has a fund of \$1,000,000 available to buy such sets. The United Auto Workers-CIO is also surveying the supply of FM-tuned sets. AFL and CIO unions, consumer organizations, the Peoples Radio Foundation of New York and other groups can combine their energies in solving this problem. There is also the possibility of developing a low-price FM converter as a temporary solution. Successful action along these lines will induce radio manufacturers to turn out FM-tuned sets at moderate prices in large quantities.

A substantial break-through on the FM-set production front will help to solve the problems of financing FM stations, since the existence of a considerable audience will increase station income through the sale of commercial time to advertisers. But even if this should not happen for some time, a plan has been evolved to make it possible for stations to operate for two or three years on a minimum income from commercial time sales. This plan is the community-group FM station. Such stations are set up and owned by organizations which unite their efforts in a given community. Already there are such community groups in New York, Hollywood and Washington, D. C.

In New York City the community group is the Peoples Radio Foundation and combines labor unions, fraternal organizations, veterans, clubs, progressive organizations and individuals. This group is incorporated, sells stocks to organizations and individuals, and is democratically managed. It is possible for such a group, through the sale of stock and other fund-raising activities, to establish financial reserves to bridge the three-year span.

Even the tough nut of rural FM



Marantz.

can be cracked. The solution of this problem requires the combination of political pressure and technical alterations in the FM system. There are three reasons why, under the present set-up, there will be no FM for rural areas except in regions such as New England where portions of the rural population lie within range of Class A and B FM stations. First, FM broadcasting is now restricted to the 88-108 megacycle band. Second, FM transmission power is generally limited to 20,000 watts. Third, the FM-hampering policies of the monopolists and the dovetailing policies of the FCC are designed to keep rural areas in the sphere of AM broadcasting.

FM broadcasting started in the 42-50 megacycle band. In that band the horizon range of an FM station is about 100 miles. In 1945, the FCC shifted FM into the 88-108 megacycle band, reducing the FM station's

horizon range to about sixty miles. It was made certain, by limiting FM stations to 20,000 watts of power, that the sixty-mile range could not be increased. All this was done with the purpose of limiting FM so that it could not compete with AM broadcasting in the rural areas.

By restoring the 42-50 megacycle band to FM broadcasting and by permitting FM rural stations to utilize power of 50,000 to 100,000 wattage, these stations can cover thinly-populated areas on a wider scale, increase the number of listeners per station and make it possible to sell commercial time over these stations. The addition of the 42-50 megacycle FM band would allow at least another 500 FM stations to be allocated.

As an immediate remedial step, efforts must be made to investigate radio manufacturers' violations of anti-trust laws and regulations, and to investigate

the FCC itself. A resolution calling for such an investigation has already been introduced in Congress by Senator Charles W. Tobey (R., N.H.).

This brings us to the main question: if FM is a superior system, and if the monopoly interests, with the blessings of the FCC, have already secured control of it, why are the monopolists and the FCC working to delay it further with the aim of eventually destroying it?

The answer is provided in the following considerations:

1. The monopoly interests never accepted FM. They were forced into FM because, after fighting it for more than twenty years, they had no other alternative than to safeguard their AM investments when V-J Day placed FM on the radio agenda. They head the FM parade to behead it more certainly.

2. Complex inner contradictions exist in the field of communications. Cliques of monopoly capital are scrambling madly for complete or partial control over AM, FM, television, facsimile, films, press. Intra-investment in these media by opposing factions are so ramifying that confusion results. This confusion itself is used to conceal the meaning of decisions and policies in FM. Strong monopoly factions which are anti-FM hide their destructive aims under this haze of confusion.

3. FM today still retains several anti-monopoly features which were instituted during the Roosevelt administration. These include: (a) the duopoly rule which prohibits ownership of more than one radio station by an individual or group in the same primary service area; (b) restriction of ownership of FM stations on a national scale by an

individual or group to not more than six stations.

4. Despite the fact that today anti-FM groups, by technical and economic means, have succeeded in limiting FM to the possible total of one to two thousand stations within five years (if FM is not meanwhile sidetracked altogether), monopoly engineers and managements know that FM is capable of expansion to 5,000 or more stations—and if this should happen it would help curb monopoly control.

5. Finally, the monopoly capitalists are fearful of the democratic trend in radio which is finding expression through interest in FM by labor unions, veterans, small business, schools and community groups. That is why monopoly wants to kill FM — and now.

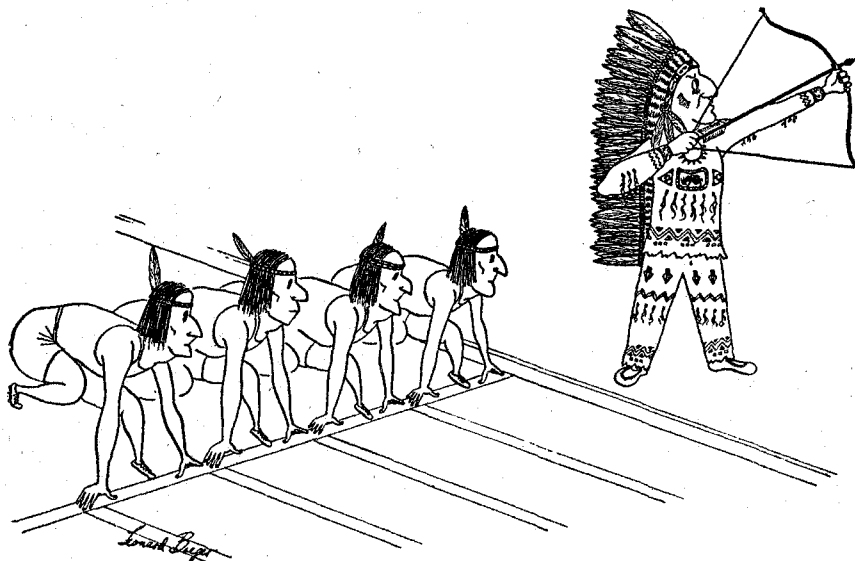
FM IS FOR YOU . . . IF YOU ARE FOR FM

Tell your radio retailer that you want to buy FM radios.

Write to Attorney General Tom Clark, Department of Justice, Washington, D. C., to act on the suggestion of Senator Glen Taylor of Idaho to investigate the conspiracy of radio manufacturers against FM.

Write to Senator Taylor and encourage him to push the fight for fair play as regards FM, as suggested by the Senate Small Business Committee.

Get your organization interested.



portside patter

By **BILL RICHARDS**

This week's "loyalty" test to ferret out "subversive" Federal employees:

1. Have you ever voted for a candidate accused by the Hearst papers of being a Red?
2. Have you occasionally hoped for a return to the principles of FDR?
3. Were you pleased when the Red Army beat the Nazis at Stalingrad?
4. Do you observe Lincoln's birthday?
5. Are you left-handed?

Ernie Bevin didn't understand either the football game he attended or why he was booed. He's convinced that both events weren't cricket.

The British are going to supply more arms to Greece. What they should have done is helped supply the right head.

Two more German generals have been sentenced to death in Italy. It's all part of an excellent plan to deny the Germans a standing army.

Elliot Roosevelt will be summoned before the Rankin Un-American Committee. The incorrigible radical made the mistake of visiting the Soviet Union instead of writing a book first.

The US is opposed to economic and political sanctions against Franco. The State Department would prefer to be anti-Franco in a neutral sort of way.

Karl Brandt, former physician to top Nazis, wants his trial over in a hurry. It seems the first Nuremberg affair exhausted all his patients.

One good New Dealer in the President's Cabinet would now be worth his weight in coal.